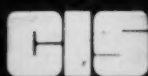


NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.



Congressional Information Service, Inc.
Washington, D.C.

NOMINATIONS OF THOMAS T. DEMERY AND SIMON C. FIREMAN

HEARING BEFORE THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

THE NOMINATIONS OF

THOMAS T. DEMERY, OF MICHIGAN, TO BE AN ASSISTANT SECRETARY
OF HOUSING AND URBAN DEVELOPMENT

AND

SIMON C. FIREMAN, OF MASSACHUSETTS, TO BE A MEMBER OF THE
BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE
UNITED STATES FOR THE REMAINDER OF THE TERM EXPIRING JAN-
UARY 20, 1987

SEPTEMBER 18, 1986

Printed for the use of the Committee on Banking, Housing, and Urban Affairs



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1986

64-116 O

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

5241-5

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

JAKE GARN, Utah, *Chairman*

JOHN HEINZ, Pennsylvania
WILLIAM L. ARMSTRONG, Colorado
ALFONSE M. D'AMATO, New York
SLADE GORTON, Washington
MACK MATTINGLY, Georgia
CHIC HECHT, Nevada
PHIL GRAMM, Texas

WILLIAM PROXMIRE, Wisconsin
ALAN CRANSTON, California
DONALD W. RIEGLE, Jr., Michigan
PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut
ALAN J. DIXON, Illinois
JIM SASSER, Tennessee

M. DANNY WALL, *Staff Director*
KENNETH A. MCLEAN, *Minority Staff Director*

CONTENTS

THURSDAY, SEPTEMBER 18, 1986

	Page
Opening remarks of Senator Hecht.....	1
Opening statements of:	
Senator Heinz	1
Senator Riegle.....	2
Senator D'Amato.....	5, 26
Senator Dixon	26
Senator Proxmire.....	27
Senator Kennedy.....	28

NOMINEES

Thomas T. Demery, of Michigan, to be an Assistant Secretary of Housing and Urban Development.....	3
Collection of mortgage arrears	3
Witness discussion:	
Proposed changes to FHA Insurance Program	4
Biographical sketch of nominee	6
Response to questions of Manufactured Housing Institute.....	18
Letter of support from the National Association of Home Builders.....	25
Simon C. Fireman, of Massachusetts, to be a member of the Board of Directors of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1987	27
Seek outlets for small businesses	28
Biographical sketch of the nominee	30
Response to written questions of Senator Proxmire	41
Letter of support from Representative Joseph DioGuardi	46
Letter of support from Representative John Moakley.....	47

**NOMINATIONS OF THOMAS T. DEMERY, TO BE
AN ASSISTANT SECRETARY OF HOUSING AND
URBAN DEVELOPMENT; AND SIMON C. FIRE-
MAN, TO BE A MEMBER OF THE BOARD OF
DIRECTORS, EXPORT-IMPORT BANK**

THURSDAY, SEPTEMBER 18, 1986

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The committee met at 9 a.m., in room SD-538, Dirksen Senate Office Building, Senator Chic Hecht presiding.

Present: Senators Hecht, Heinz, D'Amato, Gorton, and Dixon.

OPENING REMARKS OF SENATOR HECHT

Senator HECHT. Good morning. We are going to convene.

Today, the Committee on Banking, Housing, and Urban Affairs is holding nomination hearings for Thomas T. Demery, of Michigan, to be Assistant Secretary of the Department of Housing and Urban Development; and Simon C. Fireman, of Massachusetts, to be a member of the Board of Directors of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1987.

Senator Heinz, do you have an opening statement?

Senator HEINZ. Yes, Mr. Chairman, but I would just advise that if Mr. Fireman passes muster we'd better hurry and get him sworn in. Otherwise, his term will have expired.

Senator HECHT. We're going to move as fast as we can.

Senator HEINZ. Thank you, Mr. Chairman.

Senator HECHT. Let us begin with Mr. Demery. And I have a statement from Senator Riegle who wanted to be here this morning to introduce you. However, he has a conflict so this will be a part of the record.

[Statements of Senators Heinz and Riegle follow:]

OPENING REMARKS OF SENATOR HEINZ

Mr. Chairman, I welcome this opportunity to consider the nomination of Simon Fireman as a member of the Board of Directors of the Export-Import Bank. Mr. Fireman is a very successful small businessman and would assume the role on the Board as spokesman and watchdog for this vital sector of the U.S. economy. Expanding the role of small business in the Bank's programs and in exporting has been a major concern of the Congress, and Mr. Fireman has indicated this intention to aggressively pursue that goal.

This committee has devoted considerable energy during 1986 to providing the Export-Import Bank with a strong mandate and adequate funding for aggressive

promotion of U.S. exports into the next decade. A strong Eximbank is vital to reducing record U.S. trade deficits, and I am hopeful that our efforts to improve and extend the life of the Bank's charter will soon be successful.

As important to the Bank's success as a strong legislative mandate, however, is a strong and aggressive Board of Directors and Bank staff. The dismal performance of the Bank over the last few years should not be blamed only on flaws in the charter. The Bank has failed to obligate the credit authority provided to it by Congress because it has discouraged businessmen from using its services and been less than aggressive in marketing its products. A reversal of fortunes requires a fundamental change of attitude.

The current leadership of the Bank has pledged to market aggressively Eximbank's programs. Mr. Fireman will be essential to that effort. His record of business success shows that he knows how to manage and how to sell a product. I am hopeful that he will devote his full energies to improving Eximbank and getting more small businessmen involved in its programs, and I look forward to working with him in that effort.

Thank you, Mr. Chairman.

STATEMENT OF SENATOR RIEGLE

Mr. Chairman, I'm pleased to welcome Thomas Demery this morning and introduce him to the Banking Committee as a lifelong resident of the State of Michigan.

Mr. Demery has spent much of his career in real estate management working on the kind of problems that daily confront the top management of the Federal Housing Administration. He has been active in multifamily housing construction, management, and finance. For the past 6 years he has managed his own real estate brokerage company. And, as a private contractor, he had helped to implement HUD's Multifamily Debt Collection Program for the past 4 years.

Mr. Demery has also been a leader in the international "FOOD for Africa" program which has raised funds to construct housing for young victims of the African famine.

In the past few weeks I have been contacted by a number of people who have known and worked with Tom Demery. They have been impressed with his competence and diligence in carrying out his responsibilities.

I have also received a letter from David C. Smith, president of the National Association of Home Builders, expressing the NAHB's support for Mr. Demery. Mr. Chairman, I ask that Mr. Smith's letter be made a part of this morning's hearing record.

Mr. Demery, I believe the post of Assistant Secretary for Housing—Federal Housing Commissioner is one of the key domestic policy offices in the Federal Government. It has a direct effect on the dreams of homeownership of millions of American families. I am certain that the Senate will confirm your nomination and that you will soon be able to turn full attention to your important new responsibilities.

I wish you well and look forward to working with you in the months ahead.

Senator HECHT. Mr. Demery, would you please stand?

[Whereupon, the witness was duly sworn.]

Senator HECHT. Do you agree to appear and testify before this and any other duly constituted committee of Congress when requested to do so?

Mr. DEMERY. I will.

Senator HECHT. Will you, as an Assistant Secretary of HUD refrain from consideration of any matter affecting the interest of any company or organization in which you have a financial interest?

Mr. DEMERY. I will.

Senator HECHT. Will you make every effort in your service with HUD not only to avoid conflicts of interest but to avoid even the appearance of conflicts?

Mr. DEMERY. I will.

Senator HECHT. I understand you have a statement which you would like to give?

Mr. DEMERY. Yes, Senator, I do.

Senator HECHT. Please proceed.

STATEMENT OF THOMAS T. DEMERY

Mr. DEMERY. Thank you. I'd like to thank you for chairing the meeting this morning and coming up at this early hour, given your late evening the previous night.

Mr. Chairman and members of the committee, I am pleased to be here today as the nominee for Assistant Secretary for Housing, Federal Housing Commissioner, within the Department of Housing and Urban Development. I consider it a great honor and privilege to be nominated by President Reagan for this important position within his administration.

I also consider it a privilege to be selected by Secretary Pierce to work with him as his Assistant Secretary. Secretary Pierce and I have had several opportunities to meet and discuss issues and I deem myself fortunate to be able to serve such a capable Cabinet member.

During the past 4 years, I have served this administration as a private sector contractor to help implement President Reagan's and Secretary Pierce's debt collection initiatives. It was my job to meet owners of delinquent multifamily apartments with HUD-held mortgages and effectuate a meaningful Debt Repayment Program.

COLLECTION OF MORTGAGE ARREARS

To date, by working with field, regional, and headquarters staff, we have collected nearly \$70 million in mortgage arrears. Obviously, program enforcement is a priority of mine, one which I would hope to continue and expand should I receive Senate confirmation to become Assistant Secretary for Housing, Federal Housing Commissioner.

I have learned much about Federal housing programs in my role as contractor and never forgot the departmental mandate to preserve and enhance the housing stock. I feel that the public and private sector can work together to meet the challenges which the future may bring, including ramifications of tax reform which as yet are not known.

I am eager and prepared to meet these and other challenges in an effort to maintain America's position as the best-housed Nation on Earth. I feel I bring to the position for which I am nominated the innovation, excellence, and experience that is required to meet the serious issues facing the housing industry in the 1980's and 1990's.

Clearly, HUD faces difficult issues. Among them are the impact of tax reform, preservation of housing stock, and fair housing concerns. I am confident we will continue our commitment to house the poor and needy without increasing the assisted housing debt.

It will be my goal to structure a response to these and other needs in a way that furthers our mission to provide decent, safe, and sanitary housing for all Americans.

I look forward to working closely with the committee and establishing a meaningful dialog between us.

I am the son of a Greek immigrant. For me to be addressing you today is the proof of the can-do attitude that is my heritage and it

is that same attitude which helped make America great. I bring it with me to HUD. I am confident I can contribute in ways that will benefit the Department and the people we serve.

It is my conviction that reasonable people can work together to devise reasonable answers to difficult questions.

Thank you for the opportunity to address this committee. I look forward to a positive and productive relationship with you, Mr. Chairman, Chairman Garn, and the committee, and it is my hope that that relationship will blossom and bear much fruit.

Now I will be happy to answer any questions you may have for me.

Senator HECHT. Thank you very much. I enjoyed your remarks. I, too, am the son of an immigrant. So only in America could these things happen like you and I facing one another today.

Mr. DEMERY. That's correct.

Senator HECHT. Mr. Demery, over the past several years there have been proposals to increase FHA premiums and make other adjustments to the program otherwise known as user fees.

Could you give this committee your views on these proposals?

PROPOSED CHANGES TO FHA INSURANCE PROGRAM

Mr. DEMERY. I am aware of several of the proposed changes to the FHA Insurance Program—the increase in premium from 3.8 to 5 percent, the requirement that premiums be paid in cash, the exclusion of closing costs from HUD's definition of value, and limiting participation in the program to families with incomes no greater than \$40,000 and prohibiting the investor in second home loans.

I am aware of those recommendations and administration initiatives. I know that the Department has been working closely in trying to assess the impact that it would have on the public that we serve.

With respect to the specific issue that you raised, the raising of the premiums, I know that the consideration for the initiative was based primarily on the desire to generate income and receipts during a time of deficit reduction and is generally consistent with the fee increases proposed by other parts of Government.

The exact impact it is going to have on people participating in our program, I don't know that has been finally worked out. I know that there are a number of people within the Department that have been diligent in their analysis and I believe that their results will be forthcoming.

With respect to some of the other elements contained in that general proposal, I am in agreement with the prohibition of investor in second home loans initiative, as well as I believe that the FHA Insurance Program was designed, if I'm not mistaken, to provide a vehicle of home ownership for families that couldn't otherwise participate in the home ownership process. It is my understanding that since the time FHA was formed and now that the growth of the private mortgage insurance has sprung up to such a degree that persons and families have an assortment and an array of mortgage insurance companies to go to, FHA being one. I think families whose income is greater than \$40,000 can be served by the

private mortgage insurance and this shouldn't have particularly negative impact on their ability to attain home ownership.

Senator HECHT. Should this proposal again be presented to Congress, would you as the Federal Housing Commissioner present to this committee an actuarial analysis of the current premium structure's ability to cover the cost of the FHA program and compare it to a similar analysis, factoring in the proposed increase?

Mr. DEMERY. Yes.

Senator HECHT. Senator Gorton, do you have any questions?

Senator GORTON. No questions.

Senator HECHT. I have a series of questions submitted by the Manufactured Housing Institute that I will submit to you for you to answer for the record. I will give members offices until this afternoon to submit any questions they wish to ask.

Mr. Demery, we thank you for your attendance.

Mr. DEMERY. Thank you, Senator.

[Statement of Senator D'Amato, biographical sketch of nominee, response to written questions, and a letter of support for the nominee from the National Association of Home Builders follow:]

STATEMENT OF SENATOR ALFONSE M. D'AMATO

Mr. Chairman, I want to welcome Mr. Demery to the committee this morning to discuss certain issues that will confront him as an Assistant Secretary for Housing and Urban Development. Due to the unique role that HUD plays in increasing, replacing and rehabilitating our Nation's housing stock, Mr. Demery will have a direct impact on the housing policies of the United States.

HUD is the principal Federal agency responsible for programs concerned with housing needs, fair housing opportunities and improving and developing our Nation's communities. The agency's valuable programs include mortgage insurance programs that help families to become homeowners, rental subsidies for lower income families and construction and rehabilitation programs of rental units. Mr. Demery will be required to continue to improve and expand these programs.

Mr. Chairman, Mr. Demery's academic and professional accomplishments recommend him for the position to which he has been nominated. I look forward to working with him in the future.

Thank you, Mr. Chairman.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: DEMERY (LAST) THOMAS (FIRST) T. (OTHER)
 Position to which nominated: Assistant Secretary For Housing Date of nomination: August 11, 1986
 Date of birth: 18 (DAY) 07 (MONTH) 49 (YEAR) Place of birth: Detroit, Michigan
 Marital status: Married Full name of spouse: Carol Lee Pais Demery
 Name and ages of children: Tama Ruth 12yrs. Thomas R. 10yrs.

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	Groves High School	1965-67	Diploma	1967
	University of Michigan	1967-69	None	
	Oakland Community Coll.	1973	None	
	Russell Schools	1978-80	Real Estate Broker & Builder License	
	Blitz School	1985	Series 22 Securities License	

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
None other than those listed above

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Detroit Athletic Club		1979-Present
Birmingham Athletic Club		1984-Present
F.O.O.D. for Africa	Director	1985-Present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

Income Property Services, Inc., President, Real Estate Brokerage
Birmingham, MI. 12/81 to Present
Liberty Financial Corp., Marketing Director, Ann Arbor, MI.
10/81 to 2/82
Demlo Corp., Site Selection Director, Troy, MI.
6/81 to 10/81
Self Employed as a market analyst for Developers, Birmingham, MI.
9/78 to 6/81
Community Management Company, Vice President, Condominium Mgt.
Southfield, MI. 2/74 to 9/78
Bloomfield Management Company, Property Manager, Detroit, MI.
2/72 to 2/74
Gordon-Begin Company, Apartment Construction Superintendent
Madison Heights, MI. 6/69 to 2/72

Government
experience:

List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

Since March 1982 I have been engaged as a consultant/

contractor to HUD. My specific duties are explained
in the attached resume.

Published
writings:

List the titles, publishers and dates of books, articles, reports or other published materials you have written.

NONE

Political
affiliations
and activities:

List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Member - Republican National Committee

State Chairman - The President's Dinner 1986, 85, 84

Founder - Citizens For America

Member - 300 Club Republican Committee of Oakland County

Political

contributions:

Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

The President's Dinner \$3,000.00 - 1984

Vin Weber for Congress \$ 500.00 - 1986

Bill Schuette for Congress \$500.00 1986

Qualifications:

State fully your qualifications to serve in the position to which you have been named.
(attach sheet)

SEE ATTACHED RESUME

Future employment
relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Upon confirmation by the Senate, I will sell my firm

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I have no such plans

3. Has anybody made you a commitment to a job after you leave government?

NO

4. Do you expect to serve the full term for which you have been appointed?

YES

Potential conflicts
of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

NONE

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

NONE

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

NONE

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

N/A

Civil, criminal and
investigatory
actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

NONE

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

NONE

BIOGRAPHICAL PROFILE

THOMAS T. DEMERY

Prepared for a Position with the:

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office:
255 E. Brown
Suite 115
Birmingham, MI 48011
313/540-6070

Home:
6758 White Pine
Birmingham, MI 48010
313/626-2229

RESUME

THOMAS T. DEMERY

RESIDENCE: 6758 White Pine
Birmingham, Michigan
(313) 626-2229

BUSINESS: President
Income Property Services, Inc.
255 East Brown
Suite 115
Birmingham, Michigan 48011
(313) 540-6070

DATE OF BIRTH: July 18, 1949

FAMILY STATUS: Married-1971, Two children-1974, 1976

BUSINESS
ACTIVITIES: As a part of President Reagan's debt collection
initiatives, Mr. Demery has served since 1982 as a
consultant to H.U.D. who performs technical
analyses and reviews of selected H.U.D. multifamily
mortgages. His objectives are to collect
delinquent multifamily debt and to improve H.U.D.
policies, programs and procedures.

During the past two years, Mr. Demery has collected
over \$50,000,000 in delinquent multifamily debt.

In addition to his H.U.D. contract, Mr. Demery is a
successful multifamily real estate broker.

PROFESSIONAL
AFFILIATIONS: Licensed Residential Builder - #51264
Licensed Real Estate Broker - #101184
Licensed Mortgage Correspondent - DRG
Financial Corporation
Member - Builders Association of South
eastern Michigan

PERSONAL
AFFILIATIONS: Church Elder - Bloomfield Hills Christian Church
Home Bible Study Leader
Michigan Victory '84 - Major Donor co-chairman
The President's Dinner (1984) - Vice Chairman
Founders Committee - Citizens for America -
Major Donor, Co-Chairman
300 Club Member - Republican Committee of Oakland
County

PERSONAL
REFERENCES: Frank D. Stella - Finance Chairman,
Michigan Republican State Committee
Honorable Guy Vander Jagt - Member of Congress
Lewis Lehrman - Chairman, Citizens for America
Thomas N. Burnham, Esq.-Reagan/Bush '84, Michigan

64-116 25

1984 Reagan/Bush and Political Activities

Thomas T. Dumery
6758 White Pine
Birmingham, MI 48010
313/626-2229 (H)
313/540-6070 (O)

<u>Event/Role</u>	<u>Contact/Telephone No.</u>
Michigan Victory '84 Major Donor Co-Chairman	Thomas N. Burnham 313/567-1181
The President's Dinner - 1984 Major Donor Vice-Chairman	Drew Lewis, Dinner Chairman 212/484-7711 Thomas N. Burnham, Regional Chairman 313/567-1181
Citizens For America - President Reagan's Citizen Lobby Founders Committee Member, Major Donor Co-Chairman	Lew Lehrman, Chairman Marc Holtzman, Executive Director 202/544-7888
Lousma for U.S. Senate - Luncheon Co-Chairman	Thomas N. Burnham, Chairman 313/567-1181
Citizens for Percy - Michigan Event Co-Chairman	Thomas N. Burnham, Chairman 313/567-1181
300 Club Member Republican Committee of Oakland County	Larry Dickerson, Finance Director 313/338-1133
Member - Greek Community Michigan Republican Heritage Council	Peter Jameson 313/362-4646

THOMAS T. DEMERY
BIOGRAPHICAL PROFILE

Objective

Thomas T. Demery currently serves as a contracted private sector real estate consultant who performs technical analyses and reviews of selected HUD insured, held and/or acquired multifamily mortgages and properties in HUD's Region V. Mr. Demery's contract became effective March 17, 1982.

HUD's recently emphasized debt collection initiatives, which involve private sector expertise, were the innovation of Mr. Roy Demmon, Special Assistant to the Assistant Secretary for Housing - Federal Housing Commissioner. This innovation enabled Mr. Demery to become an adhoc part of the Commissioner's staff and gave him an opportunity to work with the Secretary's office on a regular basis.

By supplying his technical analyses and reviews to the program staff and policymakers at HUD, Mr. Demery has been able to gain a "hands on" understanding of the sub-cabinet positions he would like to attain. The attached biographical and professional summary is intended to support that objective.

Background

One of the many fundamental policy changes the Reagan Administration has implemented centers on the issue of debt collection at HUD. For years previous to this Administration, hundreds of millions of dollars in delinquent mortgage debt was all but ignored. Debtor workout agreements were not designed to collect cash, but rather to extend the period of time in which the mortgagor could repay his loan. HUD owned (foreclosed) properties were receiving millions of dollars of repairs and then being sold for a fraction of their repaired cost. Properties languished in the inventory pipeline for years, at a cost to the taxpayer of \$10.00 a unit per day. Loan management staff was not receiving adequate training to effectively negotiate with delinquent mortgagors. In short, a multibillion dollar ship of debt was floundering without policies to effectively deal with the problem.

President Reagan's fiscal policies made debt collection an issue of immediate concern and specialized attention. Private sector consultants were contracted to assist HUD in real estate financing and property disposition activities. Mr. Demery has debt collection responsibility for nearly 600 defaulted HUD multifamily loans comprising 70,000 units in HUD Region V. He provides expertise to improve HUD policies, programs, procedures and decision-making relating to the servicing of HUD-insured and -held multifamily project mortgages and the management, repair and disposition of HUD-owned properties.

Since the start of his contract, Mr. Demery has collected over \$50,000,000 in delinquent multifamily debt.

THOMAS T. DEMERY
BIOGRAPHICAL PROFILE

Current Business Activities - Consultant to HUD

A. HUD-Owned Properties

Mr. Demery has prepared a detailed management and disposition plan for all HUD-owned multifamily properties in his designated HUD Region Areas. The plan includes recommendations on the major items to be completed in each project to effectuate its disposition within six months of acquisition. He has established performance objectives, milestones, and resource requirements to complete each major item. He also reviews each disposition package prepared by field staff and provides his comments concerning the disposition.

B. HUD-Insured and HUD-Held Properties

In addition to property disposition matters, Mr. Demery's responsibilities include:

- reviewing in detail multifamily management policies and procedures and measuring the effectiveness of these policies and procedures among the field offices under his area of responsibility,
- monitoring projects which are: (1) insured and delinquent under their mortgages; and/or (2) HUD held and delinquent under their mortgages or under their workout agreements. Initiating the necessary administrative actions to effectuate the Departmental debt collection activities on these loans,
- monitoring actions taken and procedures followed in the field to ensure that HUD-held mortgages are put under workout agreement or are recommended for foreclosure within 90 days of assignment; maintaining at a minimum of 90% the proportion of projects that are under workout agreement during each month.
- reviewing field offices under his jurisdiction and evaluating the organizational structure, staff members, and skills, travel resources, data systems, and other administrative and management factors which may be contributing either positively or adversely to the Department's ability to accomplish its loan management and property disposition functions,
- providing recommendations for new or changed policies, procedures, and organization structures for such areas as workout agreements, sales of mortgages, transfers of physical assets, tax consequences or particular courses of action, innovative sales techniques, "repair-and-sell" vs. "sell-all-cash-as-is" analyses, as well as options for maximizing the return to the Government on HUD-held and -owned projects,
- conducting continuing reviews and studies of market conditions in the region to determine what factors hinder progress towards meeting goals or make special programs beneficial.

THOMAS T. DEMERY
BIOGRAPHICAL PROFILE
CAREER SUMMARY

Consultant To Department of Housing & Urban Development (1981-Present)

Mr. Demery currently serves on behalf of HUD as a private sector real estate consultant who performs technical analyses and reviews of selected HUD insured, held and/or acquired multifamily mortgages and properties for HUD Region V. He provides expertise to improve HUD policies, programs, procedures and decision-making relating to the servicing of HUD-insured and -held multifamily project mortgages and the management, repair and disposition of HUD-owned properties. His duties are part of the Reagan Administration's debt collection initiatives and his portfolio includes 600 properties with mortgage debts of nearly \$1,000,000,000 and mortgage delinquencies totalling \$90,857,455.

Real Estate Finance (1978-81): During the years of 1978-1981, Mr. Demery served as a real estate and mortgage broker, specializing in apartment sales. Market conditions necessitated many creative financing techniques including wraparound mortgages, sale/leasebacks, and innovative second mortgages. Aside from his creative secondary financing, Mr. Demery has initiated \$80,000,000 in 223 (f) apartment refinancing.

Property Management (1972-78): From 1972-1974, Mr. Demery served as Chief Operating Officer of Bloomfield Management Company, a property management firm with over 2,000 units under contract. In addition to daily operations, marketing and personnel work, his responsibilities included the preparation of annual operating budgets in compliance with HUD inspections and accounting reports. He also formulated a Policies and Procedures Manual to standardize operations and initiate sound management controls. As a result of Mr. Demery's continuous monitoring and solid fiscal policies, operating efficiencies increased, while vacancies decreased.

During the years 1974-1978, Mr. Demery formed his own management company which serviced 5,400 units with assets valued over \$250,000,000, and employed 225 persons. In that position, he directed the resolution of the plethora of problems relating to multifamily housing management. The problems included collections, budget projections, sudden economic reversals impacting on property values, municipal taxation, and ownerships' reluctance to properly maintain adequate reserves for future repairs. Maintenance programs, inspections, purchasing, contracting, and critical path development were among Mr. Demery's daily operational objections for his staff.

Concurrent with the successful condominium conversion of a luxury apartment complex in 1978, Mr. Demery transferred his management company interest and established himself as an income property real estate broker and mortgage banker.

Construction (1970-72): A licensed residential builder, Mr. Demery supervised the construction of 500 221 (d) 4 apartment units and three light industrial buildings, all of which were delivered on time and within budget.

MANUFACTURED HOUSING INSTITUTE'S
QUESTIONS AND ANSWERS ON THE MANUFACTURED HOUSING PROGRAM
FOR
THOMAS DEMERY

1. QUESTION:

As you know, the Department of Housing and Urban Development's (HUD's) Office of Single-Family Housing is responsible for carrying out the responsibilities of the Manufactured Home Construction and Safety Standards Act. Since your background has been in the multifamily area, I realize you may be unfamiliar with the manufactured housing industry, however, manufactured housing plays a significant role in the single-family housing market. What do you plan to do to continue to encourage the development of this type of housing as an affordable alternative to traditionally constructed site-built housing?

1. ANSWER:

The Department recognizes the importance to the industry of a stable standard and enforcement system on manufactured homes. It is also recognized that over regulation of this or any industry restricts innovation and reduces consumer choices. When there are persistent problems, however, the standards or the enforcement procedures must be studied to discover how to prevent such problems.

The National Manufactured Housing Construction and Safety Standards Act empowers the Department to establish Federal construction and safety standards for manufactured homes and to enforce such standards. HUD has been doing this for the past decade to the benefit of both the consumers and the industry. As with any program, a decade of experience shows what is good about the regulations and what needs improvement. As we perform our responsibilities under the Act, any changes to the Standards and enforcement regulations have been and will continue to be made following full rulemaking procedures.

-2-

This gives all interested parties an opportunity to comment. Two examples of changes which will improve the Standards while being less burdensome to manufacturers are:

- (a) a Final Rule soon to be published which updates all the referenced standards in the Manufactured Home Construction and Safety Standards. This rule will also drop requirements for specific locations of utility line connections. These actions will modernize the construction criteria and reduce costs; and,
- (b) the Proposed Rule of 1983 is being finalized in those aspects which received general agreement from the commenters and the industry. These revisions are generally clarifications or refinements of the Standards and are recommended by the Manufactured Housing Institute.

The Department sees manufactured housing as an affordable housing alternative and recognizes industry's sensitivity to government actions and changes in the program.

2. QUESTION:

The Congress, and particularly this committee, has taken actions over the last several years to encourage the use of manufactured housing in federally assisted housing and insurance programs. HUD-issued regulations in 1982 to provide for long-term FHA 203(b) insurance for manufactured homes that are permanently sited.

Most recently, the Department issued a notice to all of HUD's design approval agencies, requesting that they stop approving designs for HUD-code homes which call for the removal of the metallic transportation frame when the home is permanently sited.

It is my understanding that HUD took this action arbitrarily and without going through the proper rulemaking procedures. It is a practice which has been endorsed by the Department for several years. In fact, the Department's own FHA 203(b) regulations require that "... the towing hitch or running gear ... and other parts of the chassis that operate only during transportation, be removed" (48 CFR p7736, Feb. 24, 1983).

-3-

It is my understanding that HUD took this action arbitrarily and without going through the proper rulemaking procedures. It is a practice which has been endorsed by the Department for several years. In fact, the Department's own FHA 203(b) regulations require that "... the towing hitch or running gear ... and other parts of the chassis that operate only during transportation, be removed" (48 CFR p7736, Feb. 24, 1983).

It would seem that this is contrary to efforts to encourage the growth and development of affordable housing such as manufactured housing. What if anything is HUD going to do to correct this situation?

2. ANSWER:

I want to set the Department's action in the context in which it occurred. As you know, the Department's regulations require that third party Design Approval Primary Inspections Agencies (DAPIAs) examine manufacturer's designs for conformance to Federal construction and safety standards. We understand some DAPIAs (but not all) were approving designs which permitted chassis to be removed while others were not. The Department has never endorsed the practice of removing chassis. We have permitted and in some cases required parts of the chassis to be removed such as wheels, axles, towing hitch and lights.

The Department's position is, and has been, that manufactured homes are distinguished from modular homes by one essential way. In manufactured housing the chassis is intended to remain with the unit, while in modular housing it is intended to be removed.

Our directive to DAPIAs was the result of an investigation undertaken in response to a complaint made to the Department by a manufactured home manufacturer. This manufacturer complained that he was the victim of unfair competition since his DAPIA would not approve designs permitting chassis removal whereas his competitors' DAPIAs were doing so. The manufacturer asked the Department for uniform application of the statute and regulations. Having examined the issue, we concluded that the authorizing statute, Section 603(6) of the National Manufactured Housing Construction and Safety Act of 1974, was clear and that we could not condone approval of designs which explicitly permitted chassis removal.

-4-

We communicated this conclusion to the two DAPIAs who were involved in this investigation. In order to avoid any additional misunderstanding on the issue, we sent identical letters to the remaining ten DAPIAs asking them also to examine their approved designs and delete any explicit reference to chassis removal. As of the date of this letter, four DAPIAs have responded. All four have indicated that their approved designs do not permit chassis removal.

We have been contacted by only one manufacturer who claims a potential hardship because of outstanding commitments. We have told this manufacturer we are willing to work out an arrangement to minimize any adverse impact.

The Department did not follow any rulemaking procedures in issuing this directive to DAPIA's because it did not consider this directive to be rulemaking. The actions taken were typical enforcement procedures permitted and established by the Manufactured Home Procedural and Enforcement Regulations at 24 CFR 3282.

Soon after we issued this directive, we called together representatives of the Manufactured Housing Institute, the National Manufactured Housing Federal, Inc., the National Association of Home Builders, the Council of American Building Officials and members of the National Conference of States on Building Codes and Standards, to give them an opportunity to exchange views on this issue. The Manufactured Housing Institute was asked to submit recommendations to the Department on possible new approaches.

Given some concerns expressed to us by the Manufactured Housing Institute, we are extending the time by which DAPIAs are to purge their approved packages of designs permitting chassis removal and report to us to December 31, 1986. We trust that this additional time will be sufficient for a complete transition to the production of conforming homes, which includes developing and implementing the necessary design changes.

3. QUESTION:

The Office of Management and Budget (OMB) recently published its Regulatory Program for 1986-87. Included in the program are several proposals for the Manufactured Home Construction and Safety Standards program. One proposal is for HUD to contract with a voluntary code organization to make recommendations for changes to the safety standards. Does the Department have any figures as to the costs savings that would result in this proposal? Couldn't the same goal be achieved through the National Manufactured Home Advisory Council which was authorized under the Act to advise the Department prior to establishing amending or revoking any standards pursuant to the Act? (Sec. 605, 42 U.S.C. 5401).

3. ANSWER:

OMB Circular A-119, "Federal Participation in the Development and Use of Voluntary Standards," encourages Federal agencies involved in regulatory activities to rely on private sector standards and to participate in those standards bodies when such activities are in the public interest and are compatible with the agencies' mission and authority. It also encourages Federal agencies to contribute to the development of private sector standards that will eliminate the necessity for separate Government standards. In compliance, HUD is now preparing a Federal Register Notice requesting responses from organizations capable of developing a standard for manufactured homes. The National Manufactured Home Advisory Council is not staffed or capable of originating the standards. The Council was created only to review and comment on any rules the Department might propose.

Currently, separate government standards for manufactured homes are still being used. They were established in response to the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended 42 U.S.C. 5401, et seq. (herein the "Act"). The Act requires the Secretary of HUD to establish mandatory and preemptive Federal Standards regulating the construction and safety of all residential manufactured (previously mobile) homes. The present Federal Manufactured Home Construction and Safety Standards (FMHCSS) were developed and promulgated in 1976 by the Department.

Now, as a result of OMB Circular A-119 and recommendations contained in the 1982 Report of the President's Commission on Housing and the National Institute of Building Sciences' Recommendations for Change -Phase II (Aug. 15, 1981, p. 35), the Department wishes to utilize private standards bodies in developing, revising, and maintaining text for the FMHCSS. This approach should not present significant problems for the industry, since a large part of the present FMHCSS were adopted from standards originally developed in the private sector.

HUD issued a Notice in the Federal Register on July 17, 1982 at 47 FR 29605, originally announcing its interest in recruiting a standards-setting body. The Department then proposed its first comprehensive revision of the FMHCSS in the Federal Register of August 16, 1983 at 48 FR 37136 in order to obtain public comment and to conduct an economic cost-benefit analysis. (The Department intended to consider undertaking an orderly shift of the future development and maintenance of the FMHCSS to a suitable private standards organization after HUD's first

-6-

comprehensive revision was made final). Many of the revisions proposed in August 1983 have now become final and effective, or their final publication is imminent. (See 49 FR 31996, August 9, 1984). The Department no longer considers it necessary to complete final rulemaking on all aspects of the 1983 rule before resuming its search for a qualified standards body to develop, publish and maintain the FMHCSS. Because proposals submitted by respondents to the 1982 Notice may by now be out-of-date, the Department is issuing a second Notice to allow those respondents (or new ones) to withdraw, amend, or submit new proposals on how they could achieve writing the Standards.

It should be emphasized that HUD will not relinquish its responsibility and authority under the Act to establish and enforce reasonable standards relating to safety, quality and durability and will adopt only those standards that are appropriate. Moreover, the Department will retain the responsibility and authority for reviewing, adopting and promulgating any standards developed by standard organizations. Any such standards HUD proposes to adopt will be promulgated by notice and comment rulemaking.

The Department's objectives are to:

- (1) Assure that there is a private organization which is qualified, interested and capable of developing and maintaining all standards for the FMHCSS on a continuous basis and at no obligatory expenses to the Federal government.
- (2) Rely on such standards that can meet the intent to the Act; and,
- (3) Adopt such standards, by reference, as the Federal Manufactured Home Construction and Safety Standards, either in whole or in part, and to enforce them in accordance with the requirements of the Act.

4. QUESTION:

H.R. 1, the Housing and Community Development Act of 1986, which has passed the House, contains language which would require HUD to provide the Congress with a detailed reporting of the expenditure of funds under the Manufactured Home Construction and Safety Standards Program. It is my understanding that the Department is working with Congressman Hiler's office and the industry, to resolve this issue administratively so that statutory language will not be necessary. What is your understanding of the status of this issue?

-7-

4. ANSWER:

Section 167(3)(c) of H.R. 1 should be deleted since amounts for direct administration, including staff and travel, are not accounted for separately under the Manufactured Home Inspection and Monitoring program. That is because the portion of fee income which is transferred into the account for "Salaries and Expenses" is merged with other funds available therein with no further separate identification. Estimates of amounts of fee income to be transferred into "Salaries and Expenses" are developed for budget purposes, but these are based on management data, not detailed accounting records. The Department's accounting system simply would not provide that data requested under (3)(c) including overhead costs associated with the program.

The Department also would be unable to respond to that part of Section 167(4) which pertains to expenditures beyond 1987. No forecasts are available for FY 1988 and 1989 and would not be until the President has sent his budget to the Congress for the years. The forecasts have not yet been made, but unless Section 167 is intended to work a loop hole in the Budget and Accounting Act, a forecast of this kind must be considered as part of the development of the President's Budget, and could not be released while the Budget is transmitted to Congress.

The Department does not object to other portions of Section 167 as far as their apparent intent is concerned. However, the requirements of the Act would be difficult to respond to as currently worded.

For example, it is not clear how much is to be included in a report that is "detailed" although the word is used five times without clarification. This could result in endless and fruitless wrangling over whether or not HUD has complied with the Act. It would be helpful if the legislation or its history contained specification of the level of "detail" desired.

In addition, the section uses terms such as "allocation" or "allocated" (Section 167(1) and (3)(A)) and "expenses" (Section 167(1) and (3)) as though their meaning is uniformly understood. However, that is not the case in budgeting and accounting usage. The term "cost" may be construed, also, in various ways. It is unclear from the text if the precise GAO definition is intended or if the term is applied in a different, less formal accounting sense.

While we are working to resolve these issues with the statutory language, staff is also administratively responding to a request from the Manufactured Housing Institute for such data. To date, HUD's response has not been finalized.



National Association of Home Builders

15th and M Streets, N.W., Washington, D.C. 20005

Telex 89-2600 (202) 822-0400 (800) 368-5242

David C. Smith
1986 President

September 17, 1986

The Honorable Jake Garn
Chairman
United States Senate
505 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the 142,000 members of the National Association of Home Builders (NAHB), I would strongly urge you to support the nomination of Thomas T. Demery to be the Assistant Secretary for Housing - Federal Housing Commissioner at the U.S. Department of Housing and Urban Development (HUD). I respectfully request that this letter be made a part of the hearing record on Mr. Demery's nomination.

Mr. Demery is a builder, multifamily real estate and mortgage broker and property manager in Birmingham, Michigan with considerable experience in various key facets of the housing industry. Tom is a member of the Builders Association of Southeastern Michigan. Since 1982, he has also served as a consultant to HUD on collection of delinquent multifamily mortgages and has achieved notable results in this most important area. More importantly, his housing experience spans both the private and public sectors.

Tom's broad-based background in housing and mortgage finance as well as respect in the local and national business community make him well-suited for this key position at HUD.

We at NAHB look forward to working closely with him.

Sincerely,

A handwritten signature in cursive script that reads "David C. Smith".

David C. Smith
President

Senator HECHT. Mr. Fireman, do you want to come up?

Momentarily, we are waiting for Senator Kennedy but, if not, we will proceed if he can't make it. We have to be out by 9:30.

Senator HEINZ. And I have to leave now and I'm sorry because my subcommittee has jurisdiction over the Eximbank.

Senator HECHT. While we're waiting for Senator Kennedy to introduce you, I was just reading your résumé and it's good to see a good Republican from Massachusetts.

Mr. FIREMAN. Thank you, sir.

Senator HECHT. You've helped Republican causes so I figure you were a Republican Eagle. Very nice.

Mr. FIREMAN. Thank you.

Senator HECHT. In the interest of time, we're going to reconvene and if Senator Kennedy comes in we will stop whatever we are doing and let him proceed.

Mr. Fireman, would you mind standing up, please?

[Whereupon, the witness was duly sworn.]

Senator HECHT. Please sit down. I have a note here that Senators Dixon and D'Amato had conflicts and had to depart. I ask that their statements be placed in the record.

[Statements of Senators Dixon and D'Amato follow:]

STATEMENT OF SENATOR ALAN DIXON

Mr. Chairman, I am pleased to be here this morning as the committee considers the nominations of Thomas Demery to be an Assistant Secretary of the Department of Housing and Urban Development and Simon Fireman to be a member of the Board of the Exim Bank.

I would like to take this opportunity to bring a matter I am particularly concerned about to Mr. Demery's attention relating to the FHA title I Property Improvement Loan Program.

As he may know, this committee approved an amendment which I offered to the Housing Act of 1986, S. 2507, to require that an October 25, 1985, HUD rule revising regulations under title I, cease to be effective. The rule would become effective again on January 1, 1987. However, in the interim, HUD would be required to reopen the rule for public comment and account for the comments received.

I will not go into detail about this matter, but I'd like to inform Mr. Demery that my office and the Illinois Bankers Association have worked for some 4 months with staff from HUD, Jim Nistler, Bob Coyle, and Sue Johnson, in an attempt to resolve some of the problems with the title I program. We have made tremendous progress, for which I am most appreciative.

However, if confirmed, I encourage Mr. Demery, before the end of this year, to follow through on the agreement reached by HUD and concerned by HUD and concerned parties to make changes in the regulations and solicit public comments on making title I refinancing available under certain circumstances to borrowers who are in a delinquent or default status, so long as there is no advance of funds in connection with the new loan. In addition, the agreement calls for HUD to issue to title I lending institutions a title I letter regarding this issue.

I look forward to hearing from Mr. Demery this morning and to working with him to ensure that the title I agreement is expeditiously implemented. I also look forward to hearing from Mr. Fireman. The Export-Import Bank faces enormous challenges and plays a key role in promoting U.S. exports. I hope Mr. Fireman will be able to give the committee some indication of how he believes the Bank's effectiveness and competitiveness can be improved, and how it can better serve the needs of large and small American exporters.

STATEMENT OF SENATOR ALFONSE M. D'AMATO

Mr. Chairman, I want to welcome Mr. Fireman to the committee this morning to discuss certain issues that will confront him as a member of the Board of Directors of the Export-Import Bank of the United States. Due to the unique role that Eximbank plays in export financing, Mr. Fireman will have a direct impact on the trade

policies of the United States. In view of the unprecedented \$150 billion trade deficit that the United States has accumulated, Eximbank's influence to help in reducing the deficit is heightened.

Mr. Fireman will be required to develop programs to meet the needs of the U.S. exporting communities—programs that will facilitate the exchange of commodities and maintain U.S. competitiveness in the world market. Such programs will be increasingly important to U.S. businessmen until the trade account becomes more balanced.

Mr. Chairman, Mr. Fireman's academic and professional accomplishments recommend him for the position to which he has been nominated. I look forward to working with him in the future.

Thank you, Mr. Chairman.

Senator HECHT. Mr. Fireman, do you agree to appear and testify before this and any other duly constituted committee of Congress when requested to do so?

Mr. FIREMAN. Yes, sir.

Senator HECHT. Will you as an Eximbank Director refrain from consideration of any matter affecting the interest of any company or organization in which you have a financial interest?

Mr. FIREMAN. Yes, sir.

Senator HECHT. Will you make every effort in your service with the Export-Import Bank not only to avoid conflicts of interest but to avoid even the appearance of conflicts?

Mr. FIREMAN. Yes, sir.

Senator HECHT. I would ask that Senator Proxmire's opening statement be placed in the record at this point.

[Statement of Senator Proxmire follows:]

OPENING STATEMENT OF SENATOR WILLIAM PROXMIRE

Mr. Chairman, the Congress is rightfully concerned about the huge and growing trade deficits America has experienced in the last 6 years due to the misguided economic policies of the Reagan administration. This year for the first time since 1914 America has become a debtor nation. Our international debt is building rapidly and this debt, which will have to be paid off some day will mean our children will have a lower standard of living than would otherwise be the case. The solution to our trade deficit is not an increase in export subsidies—such as are administered by the Eximbank. After all the Bank's subsidies benefit fewer than 2 percent of our exports.

I am absolutely convinced that if America is to get its trade deficit under control it must start by getting its budget deficit under control. This means Congress will have to resist constituent pressures and evaluate programs on the basis of their true cost and benefit. Once we do that I think we will realize that taking money from our taxpayers to subsidize purchases by foreign consumers is, at best, a questionable activity.

Senator HECHT. Is there any statement which you might like to say?

Mr. FIREMAN. Well, I have a short statement.

Senator HECHT. How short?

Mr. FIREMAN. About 2 minutes.

Senator HECHT. Please proceed.

STATEMENT OF SIMON C. FIREMAN

Mr. FIREMAN. I am honored to appear before the distinguished members of this committee as the Presidential nominee to be a director of the Export-Import Bank. I hope to fulfill the responsibilities of that position with honor and with competence.

Virtually all of my knowledge has been acquired in the arena of commerce in both domestic and international trade. I am one of

those small businessmen whose growth and economic well-being have been the concern of this committee, especially within the province of the Eximbank.

I believe there are no simple answers to the complex economic problems of competitiveness that the United States faces in world trade. I also believe that the Eximbank must be part of any strategy to make U.S. business more competitive overseas and reverse the trend of the foreign trade deficit.

SEEK OUTLETS FOR SMALL BUSINESSES

I will regard as my special mission to advocate an advance within the Eximbank aggressive and innovative marketing programs to create broader demand for the Bank's multiplicity of services. I am certain we can persuade a much broader segment of the small business community to seek overseas outlets for their products.

I feel privileged to be able to add my efforts and experience to the efforts of the Bank toward achieving an expanding U.S. role in world trade.

You may be assured that I will ever be ready to appear before you either individually or collectively to answer any questions you may have about Bank policies.

Mr. Chairman and members, I am grateful to you for affording me the opportunity to present my views. They express my philosophy and I hope that my responses to your questions will satisfy your concerns about my ability to execute the tasks and the challenges I will face.

Thank you very much.

Senator HECHT. Thank you very much.

Mr. Fireman, you mentioned to me as I was sitting next to you that this is the first time you've appeared before a committee. Let me just tell you the way Capitol Hill works.

Anyone who has a great background like yourself—and I'm very impressed by it—and who is noncontroversial, you never have anyone show up. So whenever in the future you have to appear and you see the room is empty, you know you're doing everything right. It's only when you're doing things wrong that you get the big attendance.

The hearing is recessed.

[Recess.]

Senator HECHT. The hearing will be reconvened.

The distinguished Senator from Massachusetts, Senator Kennedy.

STATEMENT OF HON. EDWARD KENNEDY, U.S. SENATOR FROM THE STATE OF MASSACHUSETTS

Senator KENNEDY. Thank you very much, Mr. Chairman.

I particularly appreciate the opportunity to be before your committee this morning to commend to this committee a very outstanding nomination by the President of the United States to serve on the Board of the Export-Import Bank.

Simon Fireman I think has demonstrated by training, tradition, and commitment the kind of interest in public service that has been reflected in so many of those individuals who have come

from Massachusetts and served both in this administration and past administrations. He has served on two panels in the area of export and trade policy under two Presidents of two different parties, and I think the President has selected wisely in this nominee.

He has had a broad range of experience in four different continents with an extremely business operation, so he knows the importance of trade policy and trade issues and knows the financial world indeed.

I think my only hesitancy in making this recommendation is that we will lose his energy and his commitment in a wide range of different civic affairs in my own State of Massachusetts. He's been involved in every aspect of civic life in involving himself in the communities in which he has lived and also in the greater public interest of our State a wide range of different activities.

I think the administration is extremely fortunate to be able to have Mr. Fireman's talents committed to an area of public policy in which we need all of the expertise and insight that we can possibly gather. We know the crisis that this Nation is facing in terms of trade policy and we will have a nominee, should he be confirmed and I believe he will be confirmed, that can be enormously valuable and helpful to our national interests and it's a pleasure to have the opportunity to appear before the committee and to make this recommendation.

Senator HECHT. Thank you very much, Senator Kennedy. I did have the occasion to speak with him and I share everything you say about him, his values, and to get people like this into public life is what we have to do more of. And you mentioned if he's going to be confirmed, you and I have to work together to move very fast.

Thank you for appearing.

Senator KENNEDY. Thank you very much, Mr. Chairman.

Senator HECHT. The committee is adjourned.

[Whereupon, at 9:33 a.m., the hearing was adjourned.]

[Biographical sketch of nominee, response to written questions of Senator Proxmire, and letters of support from Joseph J. DioGuardi and John Joseph Moakley, U.S. Representatives in Congress, follow:]

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: FIREMAN SIMON CHARLES
(LAST) (FIRST) (OTHER)
 Position to which nominated: DIRECTOR EXPORT-IMPORT BANK OF THE U.S. Date of nomination: 6/17/86
 Date of birth: 10 9 25 Place of birth: Boston, Massachusetts
(DAY) (MONTH) (YEAR)
 Marital status: Married Full name of spouse: Anita Zonderman Fireman
 Name and ages of children: Barry R. Fireman AGE 37
Joan F. Berenson AGE 33
Andrew F. Fireman AGE 25

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	<u>Roxbury Memorial High</u>	<u>1937 - 1941</u>	<u>Graduated</u>	<u>1941</u>
	<u>Boston University</u>	<u>1943 & 1946*</u>	<u>-</u>	<u>-</u>
	<u>Harvard University</u>	<u>1964 - 1967*</u>	<u>-</u>	<u>-</u>

* Over a period of twenty years, I enrolled as a non-degree student attending classes at various institutions of higher education in elective courses relating to my career objectives in business.
This procedure was necessary because I was forced to involve myself totally in the family business when my father became too ill to carry on the company activities.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

See Schedule # 1 - Next Page

Schedule # 1

SIMON C. FIREMAN

HONORS AND AWARDS

1. Asiatic Pacific Theater Ribbon with two bronze stars.
2. Bronze Arrowhead
3. World War II Victory Medal
4. World War II Good Conduct Medal
5. "Time of your Life" Clock Award from the City of Quincy in recognition of exemplary voluntary leadership time devoted to serving on the Quincy Hospital Board of Managers who are totally responsible for a budget of over fifty million dollars.
6. Citation of Appreciation to Simon C. Fireman from Temple Beth El "for his devoted service as a leader of his congregation".
7. Regional Citation to Simon C. Fireman from United Synagogue of America, "in recognition to his loyalty, devoted and effective services to the Synagogue and the Conservative Movement".
8. Americans for Responsible Government, 1984 Presidential campaign, National Trustee Gold Pin Award.
9. Certificate of award and Key to the City of Brockton in recognition of outstanding public service presented by The Honorable Carl D. Pitaro, Mayor of the City of Brockton.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
See Schedule #2 - Next Page		

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

1946-1970	Marine Hardware & Supply Co. Inc.
	Boston, Massachusetts
	Chairman & Chief Executive Officer
1970-Present	Aqua-Leisure Industries, Inc.
	Avon, Massachusetts
	Chairman & Chief Executive Officer

Schedule #2

SIMON C. FIREMAN

Memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Hammatt Lodge AF & AM	Member	1948-Present
Blue Hill Country Club	Member	1978-Present
Hyannis Yacht Club	Member	1980-Present
Who's Who's International	Member	1983-Present
Greater Boston Chamber of Commerce	Committee for Education/Practical Politics Sub-Committee on Public Relations for Education/Practical Politics	1960-1961
Quincy Chamber of Commerce	Waterfront Committee	1960-1961
Metropolitan Yacht Club	Member Board of Trustees Sponsor of Waterfront Program of Less Privileged Children Co-chairman of Youth Program Director of Public Relations Chairman of Building Committee	1957-1960 1957, 1958, 1959 1958 1959 1957 1959
Quincy City Hospital/Board of Managers	Trustee	1977-1982
Jewish War Veterans	Member	1946-Present
National Advisory Board/Citizen Scholarship Foundation of America	Member	1982
Thorny Lea Golf Club	Member	1972-1978
Temple Beth El	President Member	1961-1963 1948-Present
Maritime Association of Boston	Member	1965-1970
Propeller Club of the U.S.	Member	1957-1970
Eastern Sporting Goods Association	Member	1950-1970
New England Marine Trade Assoc.	Member	1950-1970

Government
experience:

List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

See Schedule #3 A -

Published
writings:

List the titles, publishers and dates of books, articles, reports or other published materials you have written.

"Hand up, not hand out", THE BOSTON GLOBE, August 16, 1983

Political
affiliations
and activities:

List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

See Schedule #3 B -

Schedule # 3 A

SIMON C. FIREMAN

Experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

1. Advisory Council on Trade Negotiations - Member 1983-1986
2. Industry Sector Advisory Council on Wholesaling and Retailing - Department of Commerce Member 1979-1982
3. Massachusetts World's Fair Commission - 1961-1962
4. Parks & Recreation Commission, City of Boston - Member 1969-1974
5. Youth Activity Commission, City of Boston - Member 1968-1969
6. City of Quincy 80th Birthday Celebration for Quincy native motion picture star, Ruth Gordon - General Chairman 1977
7. United States Army - World War II - 1943-1946, 726th Amphibious Tractor Battalion. 22 months in South Pacific - Campaigns: Ryukus, Mandatted Islands, Pelelue, Anjour, Elithi, Okinawa.

Schedule # 3 B

SIMON C. FIREMAN

Memberships and offices held in and services rendered to all political or election committees during the last 10 years.

1. Presidential 10 Club Member of the 1984 Reagan-Bush campaign.
2. Chairman of Fund Raising, Massachusetts Democrats & Independents for Reagan-Bush 1984
3. Executive Committee, National Jewish Coalition for Reagan-Bush 1984
4. Co-Chairman, Prelude to Victory Dinners, Massachusetts, Reagan-Bush 1980
5. Vice Chairman, Presidential Inaugural Committee 1980-1981
6. General Chairman, Volunteer & Donor Recognition Committee, Presidential Inaugural, 1981
7. Finance Chairman to Francis X. Bellotti in his successful bid for Attorney General of Massachusetts, 1976
8. Advisor to Joseph LaRaia, Quincy, Massachusetts, Mayoralty campaign, 1978
9. Republican Eagles - Member 1980
10. Americans for Responsible Government, National Trustee 1984
11. President's Club - Member, Republican National Committee 1980
12. Advisor to Endicott Peabody in his successful bid for Governor of Massachusetts 1962

Political

contributions: Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

- | | |
|---|-----------|
| 1. Committee to Elect William Delahunt 5/1/86 | \$500.00 |
| (District Attorney/Norfolk County) | |
| 2. Dukakis Committee 6/8/82 | 500.00 |
| (Michael Dukakis for Governor/Massachusetts) | |
| 3. Dukakis Committee 9/28/82 | 500.00 |
| (Michael Dukakis for Governor/Massachusetts) | |
| 4. Prelude to Victory - Boston 1980 | 10,000.00 |
| (Reagan-Bush Presidential Campaign) | |

Qualifications:

State fully your qualifications to serve in the position to which you have been named.
(attach sheet)

See Next Page

Future employment
relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.
Yes, but will remain Chairman of Aqua-Leisure Industries and the beneficiary of the Simon C. Fireman Revocable Trust which is the sole shareholder of Aqua-Leisure Industries
2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.
I anticipate returning to Aqua-Leisure Industries after service with the Government; however, there is no formal agreement or arrangement.
3. Has anybody made you a commitment to a job after you leave government?
NO
4. Do you expect to serve the full term for which you have been appointed?
YES

SIMON C. FIREMAN - QUALIFICATIONS

My business career since 1970 has involved me totally on a day-to-day basis in international trade. That experience has encompassed dealings with the banking profession, with government officials and with business executives here and overseas spanning five continents and almost a score of sovereign nations.

Our firm manufactures, distributes and imports a variety of sporting goods from our facilities, which are located in Asia and Europe. Similarly, from our warehouse and international headquarters in Avon, Massachusetts we export swim products to Canada, Australia and Latin America. All of these activities give tangible evidence to the first-hand knowledge I have acquired pertaining to such export business essentials as long and short term borrowing, letters of credit, customs' regulations, currency exchange rates and all types of insurance including risk protection for goods in process, finished goods in overseas warehouses, and goods in transit on merchant vessels at sea.

In addition to my experience in the private sector, I have gained considerable additional exposure to the conduct of operations in international trade through voluntary Government service. As a consequence of a series of Presidential appointments, initially by President Jimmy Carter and more recently by President Ronald Reagan, I have served for eight years in an advisory capacity to the Department of Commerce and to the Office of the U.S. Trade Representative.

It is my understanding that upon my confirmation by the Senate, my primary responsibility as a Director of EXIMBANK will be to expand the Bank's role in providing areas of opportunity for small business firms. Throughout my business career, I have been aware of the problems faced by small businessmen throughout the country in both manufacturing and service industries: shortage of working capital, reluctant and limited sources of credit, protracted negotiations in applying for loans and credit risk protection, and exporters not being educated to find sources to sell their products overseas, etc. I am sure EXIMBANK has already initiated programs with innovative ideas that should educate the exporter as well as assist him to finance his export package. This will create an atmosphere of the least amount of confusion and red tape in order that exporters may realize how easy it is to do business with the U.S. Government.

Should these credentials, which I have presented, meet with Senate approval, I most certainly will direct my every effort and every element of my experience toward bringing about solutions that will impact favorably upon the twin goals of increasing exports and decreasing the trade deficit.

Potential conflicts
of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None at the present time.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.
I intend to disqualify myself from consideration or vote on any transaction affecting any company in which I have a financial interest or in which I feel there may be any potential conflict of interest.

Civil, criminal and
 investigatory
 actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

Robert Gentile, Plaintiff vs Aqua-Leisure Industries, Inc. and Simon C. Fireman, Defendants. Civil Action #76-57 Massachusetts Superior Court, Cambridge, Ma. Suit involved a dispute over the plaintiff's claim that my Company marketed a swim mask he felt he had exclusive right to. This was vigorously disputed by myself and my Company. The matter was settled during a trial for a small fraction of the plaintiff's claim.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

NONE

RESPONSE TO WRITTEN QUESTIONS OF SENATOR PROXMIRE FROM
SIMON C. FIREMAN

Q.1. I expect that when the Eximbank's Charter is renewed and amended this year it will include authority for the Bank to operate a tied-aid credit program out of funds to be appropriated by the Congress. Do you think the Bank should put the emphasis on using tied aid credits offensively or defensively? Please explain the reasoning behind your answer.

ANSWER. :

MR. FIREMAN. THE UNITED STATES IS PRESENTLY FACING A RECORD FOREIGN TRADE DEFICIT OF 200 BILLION DOLLARS. A GOODLY PORTION OF THIS DEFICIT IS DUE TO WHAT CAN BE LABELED UNFAIR OR PREDATORY FINANCING BY FOREIGN GOVERNMENTS WHO OVERTLY OR COVERTLY SUBSIDIZE THEIR EXPORTERS IN FLAGRANT DISREGARD OF THE RATE-SETTING AGREEMENT ESTABLISHED BY THE OECD COUNTRIES. THE FUNDS THAT CONGRESS IS BEING ASKED TO PROVIDE (OFTEN REFERRED TO AS THE "WAR CHEST") ARE INTENDED TO FIGHT THESE ABUSES OF THE OECD AGREEMENT AND FORCE THE SOVEREIGN MEMBERS OF THE OECD TO ADHERE TO A FAIR TRADE POLICY. UNDER FAIR TRADE CONDITIONS, THE UNITED STATES BUSINESS FIRMS WOULD HAVE A BETTER THAN EVEN CHANCE TO WIN MANY OF THE CONTRACTS THEY ARE NOW LOSING BECAUSE OF UNFAIR TIED AID CREDIT PROGRAMS.

THE PROPOSED ACTION IS A FIGHT FIRE-WITH-FIRE PROGRAM. OBVIOUSLY THERE IS JUST NOT ENOUGH MONEY TO FIGHT EVERY CONCESSIONAL FINANCING DEAL. IF THE FUNDS ARE MANDATED (WAR CHEST FUNDS), I HOPE THEY WOULD BE APPLIED ON A CASE BY CASE BASIS. FOR EXAMPLE, WHERE THE SECURING OF AN INITIAL CONTRACT CAN HAVE POSITIVE LONG-RANGE CONSEQUENCES FOR THE PARTICULAR INDUSTRY AND FOR THE U.S. ECONOMY IN GENERAL. THIS CONCEPT PARALLELS THE LOSS LEADER PRACTICES USED BY SUCCESSFUL MERCHANTISERS TO MAKE INROADS INTO A SPECIFIC MARKETPLACE. IT'S ONE TO WHICH I SUBSCRIBE.

2
PROXMIRE--FIREMAN

BUT I WOULD CALL IT AGGRESSIVE RATHER THAN OFFENSIVE. I WOULD FAVOR TAKING SUCH ACTION AGAINST COUNTRIES WHICH HABITUALLY VIOLATE THE OECD AGREEMENT OR WHICH CONSTANTLY PUT UP ROADBLOCKS TO U.S. PROPOSALS TO END MIXED CREDITS OR RAISE THE GRANT ELEMENT PORTION OF THEM TO 50 PERCENT. THE WAR CHEST WILL BE THE SYMBOLIC EQUIVALENT OF THE LATE PRESIDENT TEDDY ROOSEVELT'S "BIG STICK". JUST HAVING IT AVAILABLE AS A THREAT MAY ALLEVIATE NEED FOR ITS USE.

OUR ULTIMATE GOAL IS THE ELIMINATION OF ALL SUBSIDIES -- WITH EXPORTS AND IMPORTS GOVERNED ONLY BY THE DEMANDS OF COUNTRIES, COMPANIES AND CONSUMERS EXERCISED IN A FREE AND COMPETITIVE WORLD MARKETPLACE. UNTIL THIS IDEAL COMES INTO BEING, TO DEFENSIVELY COMBAT PREDATORY FINANCING BY FOREIGN COUNTRIES I WOULD ADVOCATE A POLICY THAT COULD BE EXPRESSED IN THE PARAPHRASE OF THE POPULAR SAYING "IF YOU CAN'T ENJOIN THEM, BEAT THEM". THE SIGNIFICANCE OF THIS PARAPHRASE WILL NOT BE LOST ON THE COUNTRIES ENGAGING IN THESE UNFAIR PRACTICES. I FEEL CONFIDENT THAT IF WE EDUCATE THE AMERICAN TAXPAYERS THAT THE FUNDS WILL BE USED TO ACHIEVE THESE OBJECTIVES, THEY WILL SUPPORT THIS LEGISLATION, WHICH IS MOST APTLY NAMED FAIR EXPORT FINANCING ACT OF 1986.

3
PROXMIRE--FIREMAN

Q.2. In the statement for completion by Presidential nominees that you submitted to the Committee you indicate it is your intention to remain as Chairman of your company, Aqua-Liesure Industries, even if you are confirmed to be a member of the Board of the Export-Import Bank. Can you explain that decision and why you believe it won't create a conflict of interest for you?

MR. FIREMAN. WITH REFERENCE TO MY POSITION AT AQUA-LEISURE INDUSTRIES, INITIALLY I PLANNED TO RESIGN AS PRESIDENT BUT CONTINUE TO SERVE AS CHAIRMAN OF THE BOARD WITHOUT SALARY. AQUA-LEISURE INDUSTRIES HAS NEVER DONE ANY BUSINESS WITH EXIMBANK, AND I DO NOT ANTICIPATE THAT THE COMPANY WILL EVER SEEK ANY ASSOCIATION OR ASSISTANCE FROM EXIMBANK. SHOULD THAT CONTINGENCY EVER ARISE, I WOULD, OF COURSE, RECUSE MYSELF FROM PARTICIPATING IN ANY DISCUSSIONS, DELIBERATIONS, OR DECISIONS RELATING TO ANY SUCH MATTER.

IN POINT OF FACT, THE STATEMENT NO LONGER HAS ANY RELEVANCE SINCE SUBSEQUENTLY I HAVE ALSO RESIGNED AS CHAIRMAN OF THE BOARD OF AQUA-LEISURE INDUSTRIES AND THUS HAVE NO TIES WITH THE CONDUCT OF COMPANY ACTIVITIES.

4
PROXMIRE--FIREMAN

Q.3. I have never been a major supporter of the Eximbank because I could never understand the wisdom of giving subsidies to foreigners to buy American goods. The President's last budget director, David Stockman, agreed with the point and tried to kill the Bank on a couple of occasions. He was unsuccessful because the Bank has a very strong constituency - some of America's top exporting companies such as Westinghouse, Boeing, General Electric and so forth.

Since it appears we are going to continue to have a Bank, I have and will continue to try to put it on a "pay as you go basis" -- that is to make sure the subsidy element in the Bank's direct loan program is identified and subject to annual appropriation by the Congress. Do you think that the "pay as you go" concept is a valid one and if so will you as a member of the Bank Board work to help see it adopted?

MR. FIREMAN. I SEE NO PROBLEM IN IDENTIFYING THE SUBSIDY ELEMENT IN THE EXIMBANK'S DIRECT LOAN PROGRAM. DIRECT LOANS ARE AUTHORIZED WHERE THERE IS OFFICIALLY SUPPORTED FOREIGN COMPETITION. I CONCUR COMPLETELY WITH THE "PAY AS YOU GO" INTENT OF THE PROXMIRE MEASURE INTRODUCED IN 1984. CERTAINLY THE TAXPAYER HAS EVERY RIGHT TO KNOW THAT EXPORT SUBSIDIES ARE CONTRIBUTING TO THE DEFICIT. IF THE AMERICAN PUBLIC IS EDUCATED TO KNOW AND UNDERSTAND WHAT THE EXIMBANK'S MISSION IS, I FEEL THAT THEY WOULD APPROVE OF THE BANK'S PROGRAMS AND PROCEDURES -- EVEN THE FACT THAT IT RUNS A DEFICIT BY SUBSIDIZING LOANS WHERE THERE IS UNFAIR FOREIGN COMPETITION.

THE CONGRESSIONAL MANDATE TO THE EXIMBANK IS TO HELP U.S. EXPORTERS BE COMPETITIVE IN THE FACE OF COMPETITION FROM FOREIGN EXPORTERS WHO ARE SUPPORTED BY THEIR GOVERNMENTS. IN THE LAST SEVERAL YEARS WITH THE PREVALENCE OF HIGH INTEREST RATES, BY DEFINITION THIS HAS MEANT

5
PROXMIRE--FIREMAN

THAT THE CONGRESS AND THE AMERICAN PUBLIC SHOULD HAVE REALIZED THAT THE BANK HAD NO ALTERNATIVE BUT TO OPERATE AT A DEFICIT IF IT WERE TO, FULFILL ITS SUPPORT FUNCTION.

THE DEFICIT PREDICAMENT OF THE BANK HAS DEVELOPED HISTORICALLY. OPERATING LOSSES HAVE BEEN INCURRED PRINCIPALLY BECAUSE THE BANK HAS BEEN LOCKED INTO BORROWING AT HIGH INTEREST RATES WHILE BEING FORCED TO LOAN AT LOW RATES GOVERNED BY THE OECD ARRANGEMENT RATES. ALSO BECAUSE OF THE WORLD RECESSION, OF COURSE, THERE HAVE BEEN DEFAULTS CONTRIBUTING TO THE EXIMBANK'S DEFICIT. THERE IS REASON TO HOPE WITH THE UPSURGE IN THE WORLD ECONOMY MANY OF THE LOANS WHICH HAVE BEEN EXTENDED OR REFINANCED WILL BE COLLECTIBLE.

ONE CANNOT EVALUATE AND ASSESS THE BANK'S OPERATIONS AS THOUGH IT WERE A TRADITIONAL FINANCIAL INSTITUTION OPERATING PRUDENTLY IN A FREE MARKET. IT COULD HAVE SOLVED SOME OF ITS PROBLEMS BY SHORTER TERM BORROWING, ROLLING OVER THE NOTES AS INTEREST RATES DROPPED. IT ALSO COULD HAVE FOLLOWED SUCH PRIVATE SECTOR PRACTICES AS THE ISSUANCE OF STOCK AND OTHER DEBENTURES. THESE MEASURES WOULD HAVE MADE A FAVORABLE IMPACT ON THE BANK'S FINANCIAL STATUS.

AT PRESENT, INTEREST RATES HAVE DROPPED TO THE POINT WHERE THE BANK CAN BORROW AT LOWER RATES THAN IT MUST LEND BY THE OECD ARRANGEMENT. THIS SHOULD HELP REVERSE THE OPERATING DEFICIT TREND. SUBSEQUENT DEVELOPMENT OF THE UNDERDEVELOPED AND PROBLEM COUNTRIES (THROUGH VARIOUS MEANS INCLUDING U.S. AID PROGRAMS) SHOULD HAVE A POSITIVE EFFECT ON THEIR LOAN REPAYMENTS, EVENTUALLY IMPROVING FURTHER THE POSITION OF THE BANK.

JOSEPH J. DIOGUARDI
20TH DISTRICT NEW YORK

COMMITTEES
GOVERNMENT OPERATIONS

SUBCOMMITTEES
LEGISLATION AND NATIONAL SECURITY
GOVERNMENT INFORMATION, JUSTICE
AND AGRICULTURE

SMALL BUSINESS

SUBCOMMITTEE
GENERAL OVERSIGHT AND THE ECONOMY

SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL

The Honorable Jake Garn
Chairman
Committee on Banking, Housing and Urban Affairs
U.S. Senate
Washington, D.C. 20510

Washington, DC 20515

September 9, 1986

WASHINGTON OFFICE
1830 LONGWORTH BUILDING
WASHINGTON, DC 20515
(202) 225-8506

DISTRICT OFFICE
1 NORTH BROADWAY, SUITE 801
WHITE PLAINS, NY 10601
(914) 897-6440

BR

Dear Mr. Chairman:

It is my understanding that Simon C. Fireman will soon appear before the Senate Banking Committee as President Reagan's nominee to be a Director of the Export-Import Bank of the United States. I wish to add my voice to those of my congressional colleagues on both sides of the aisle who have attested to the qualifications of this impressive nominee.

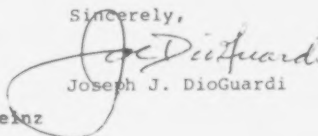
I met Mr. Fireman during the second Reagan-Bush Inaugural when he was a sponsor of the reception conducted by the Jefferson Educational Foundation. On that occasion, he expressed most emphatically and enthusiastically his support for President Reagan and the accomplishments of the first Reagan Administration despite his life long affiliation with the Democratic party. Subsequently, I learned that his vocal support was accompanied by considerable tangible support as an active leader in New England and nationally in both Reagan-Bush presidential campaigns. I also found out that he was a voluntary advisor to the President over a three year period as a member of the advisory Committee on Trade Negotiations in the office of the U.S. Trade Representative.

In the ensuing two years since we were first introduced, I have become familiar with Mr. Fireman's monumental success in the business world and especially his comprehensive knowledge and expertise about international commerce.

I feel that upon confirmation by your committee and the full Senate he will bring a unique talent and unyielding dedication to his position as the Director of the Export-Import Bank.

I heartily endorse Mr. Fireman to the position to which he has been nominated by our President and would appreciate your including my remarks in the record of Mr. Fireman's nomination hearing.

Sincerely,


Joseph J. DioGuardi

cc: The Honorable John Heinz

JOHN JOSEPH MOAKLEY
9TH DISTRICT, MASSACHUSETTS

DEPUTY WHIP

COMMITTEE ON RULES

SUBCOMMITTEE ON
RULES OF THE HOUSE
CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515

September 11, 1986

JOHN WEINFURTER
ADMINISTRATIVE ASSISTANT
221 CANNON BUILDING
(202) 225-6273

ROGER KINEAVY
DISTRICT MANAGER
1800C-JFK BUILDING
BOSTON, MA 02203
(617) 223-5715

4 COURT STREET
TAUNTON, MA 02780
(617) 824-6676

The Honorable Jake Garn
Chairman
Committee on Banking, Housing, and
Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing on behalf of a dear friend of mine, Mr. Simon C. Fireman, Chairman and Chief Executive Officer of Aqua Leisure, Incorporated, a major sportswear and athletic supply manufacturer and producer who has, as you know, been nominated by President Reagan as a Director of the Export-Import Bank.

I have known Simon well for over twenty years, both in the context of his chairmanship at Aqua Leisure, as well as socially. I have consistently found Simon to be an honest, motivated, highly principled friend. Simon found Aqua Leisure in 1970 and quickly expanded it into a multi-national firm with manufacturing plants in Europe, South America and the Far East. His firm has rapidly become a world leader in the extremely competitive athletic wear industry with some products in his line literally holding 85% of the world market.

Above and beyond Simon's corporate success, he has attained great recognition in the civic, religious, and political arenas as well. His talent for organization, creativity and leadership quickly manifested itself in a myriad of awards, citations and recognition from among others, the City of Boston, the United Synagogue of America, the City of Quincy, Massachusetts, and the National Advisory Board of the Citizen's Scholarship Foundation of America.

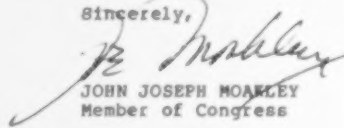
Mr. Fireman has had considerable involvement in the political arena for both Democratic and Republican candidates, beginning in 1959 as the Chairman of a testimonial dinner in honor of Massachusetts Senate President, John E. Powers. Mr. Fireman was recently honored by being named a member of the Industry Sector Advisory Council on Wholesaling and Retailing by President Carter in 1979 and by an appointment as a member of the Advisory Council on Trade Negotiations by President Reagan in 1983.

The Honorable Jake Garn
Page 2
September 11, 1986

All in all, Simon is an extremely valuable member of the City of Boston's and the Commonwealth of Massachusetts' political, social and religious community. Simon has indeed been extremely successful in many of its corporate exploits, but he is one individual who has consistently plowed much of his expertise and talent back into his community on many different levels and in many different ways.

The Import-Export Bank would gain much by having Simon's talents, dedication, drive and expertise represented there as a Director. I, for one, would be very confident that U.S. trade policy would be administered and implemented there in a judicious and far-sighted manner. I whole-heartedly recommend him to your committee for its consideration during his confirmation process. If I can be of any additional assistance in this matter, please do not hesitate contact me.

Sincerely,



JOHN JOSEPH MOAKLEY
Member of Congress

JJM:jw:cg

